

State Tax on Incomes Is Advocated

Advisory Council of Real Estate Interests Comes Out in Favor of Plan

Method Held Equitable

Samuel F. Hyman Makes Statement Advocating the Founding of Savings Bank

The Advisory Council of Real Estate Interests yesterday came out squarely for a statewide personal income tax, declaring that personal incomes appear to be the only source of revenue which will be adequate, and the taxing of which will be equitable and reasonably economical.

It is believed that this unequivocal stand by the Advisory Council will have great weight with the Legislature, as it represents practically all of the great realty interests in the city. Alfred E. Marling is chairman of the council. Albert G. Milbank is chairman of the committee on taxation, and Walter Lindsey is chairman of the committee on law and legislation.

The stand of the Advisory Council is in conflict with that of Controller Craig, as expressed at the hearing before the Mayor's Committee on Taxation two weeks ago, when the Controller declared for the so-called listing system of personal taxation, with the return to the taxing officials made under oath, a system which has unsuccessfully been tried in Ohio for the last four years.

City's Debt Limit Exceeded

In a statement issued yesterday the Advisory Council says, in part: "The time has long since passed when substantial changes should have been made in the tax system of New York. All previous investigations agree as to the situation. Ten or twelve such studies have been made, beginning with the Wells Commission in 1871. Ninety-five per cent of the total tax levy is now placed upon real property in New York City. The actual market value is so much less than the present total of assessments thereof that the constitutional debt limit has been exceeded."

"Billions of dollars in personal property located in New York are admittedly not bearing a proper share of the tax burden. More billions are earned in New York by non-residents, who pay nothing toward the expenses of the government under which they prosper."

"Realty holdings are not a measure of the taxable ability of any citizen. Therefore the tax burden must be measured not only by realty holdings, but by personalty holdings and otherwise. Personalty has never been reached to any fair extent under the general property tax. The result of levies at classified lower rates has not been successful in practice in any state."

Intangible Property Exempt

"Furthermore, the system of tax exemptions which has been foisted upon New York State has made exempt the great bulk or practically all of intangible property, such as stocks, bonds and mortgages. Even the personal property of mercantile and manufacturing corporations is exempt from local taxation upon a payment of a net income tax of only 2 per cent. After 80 years of unsuccessful effort to tax personalty we find that levies upon personalty will effect but a short step toward equity in taxation."

"Personal incomes appear to be the only source of revenue which will be adequate, equitable and less costly to taxpayers. This was the conclusion of

the recent joint legislative committee. It is the verdict of the best informed economists. The fact that the United States levies an income tax does not make that system the less desirable for state and local revenue. It being an axiom that all taxes are paid from the income fund rather than from capital investment if confiscation is to be avoided."

Suggests Municipal Savings Bank

Samuel F. Hyman, attorney, brings forward a plan for a municipal savings bank which shall lend to owners on improved real estate.

"In order to relieve the farmer from the extortionate rates to which he at times has been subjected," says Mr. Hyman, "and to encourage the development of the farm and to provide the means wherewith such development might be made, the Federal government provided a method in the Federal farm loan act as recently as 1916."

"So I suggest a municipal savings bank which shall lend to owners on improved real estate. The Federal government, too, has its savings banks in which deposits are made, paying interest at 2 per cent per annum. The municipal bank could pay the prevailing rate of about 3 per cent to its depositors and lend on mortgage security at 5 per cent."

"It is estimated that the real estate of the city is mortgaged at about 30 per cent of its assessed value, for which 6 per cent per annum is charged. If the municipal bank offered to loan at 3 per cent, 3 per cent would be the limit any borrower would pay, and thus, besides taxing the loan rate, there would be saved to the taxpayer 1 per cent on \$4,000,000,000, amounting \$40,000,000, and if this credit is allowed in his accounts against the 232 tax, the rate would equal for all practical purposes only 1.92."

"In addition to this the bank would earn the difference between 3 per cent paid to depositors and the 5 per cent received from the taxpayer, which would equal \$80,000,000 per annum. If the city applied the \$80,000,000 in payment of its expenses the tax rate would again be reduced to 1.92."

"Much of the machinery necessary to such municipal bank already exists. I would take the last five years' assessments as the basis for loans, and although now there may be many who complain of what they call excessive assessments, if such assessments were made the basis of loans from the municipal bank, we need fear little attempt to secure a reduction of such assessments."

Millions in Postal Banks

"That the saving public would prefer the municipal bank to the savings institutions is evidenced by the fact that up to September 1, 1918, I am informed many millions of dollars were deposited with the postal savings banks in the borough of Manhattan alone at 2 per cent per annum and in which any depositor may not have in excess of \$3,000 on deposit."

"Although municipal ownership or operation of public utilities in the present condition of the city's debt cannot be had, the earnings of the municipal bank in a few years will be sufficient to entirely wipe out the debt and also to acquire all the public utilities now in operation."

Motorman Is Held

Magistrate Then Lectures Attorney for Trolley Company

Magistrate Mancuso held for further examination yesterday in Harlem police court Henry Haber, motorman of a Third Avenue surface car which killed thirteen-year-old Benjamin Rabinowitz on Christmas Eve, and then addressed an attorney for the street railway as follows:

"The conditions on the Third Avenue line are disgraceful. I don't know why the Public Service Commission does not get after officials to put on more cars. At present it is necessary to wait almost half an hour for a car, and when the car does come along it is overcrowded, people being packed in like sardines. I am surprised that more tragedies have not occurred."

Witnesses of the accident testified that Haber had passed several persons who wished to get on the car, and seemed to be trying to make up time.

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Hemmed, per dozen 4.75, 5.40, 6.00

per dozen Cotton Huckaback Towels (hemmed) \$3.00, 3.50, 3.75

per dozen Turkish Bath Towels (hemmed) \$4.00, 4.50, 6.00, 7.50, 9.00

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